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# **ACQUISITION REFORM IN THE NAVY**

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## DoN Acquisition Reform Vision

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**ACQUISITION REFORM IS A PROGRAM TO ACHIEVE DoD's  
MILITARY SUPERIORITY OBJECTIVE AT REDUCED COST  
WITH INCREASED RESPONSIVENESS TO CUSTOMERS.**

*Key elements of the strategy are to integrate the military and commercial industrial base, increase innovation, foster managed risk, encourage empowerment and establish cross-functional teams using world-class commercial practices. We will recommend revisions to law and policies and change the culture of the current acquisition environment to give program managers the freedom to succeed.*

## **DoN Acquisition Reform Overview**

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- **The Navy Acquisition Reform Strategy**
- **World Class Practices**
- **Coopers & Lybrand/TASC-driven initiatives**
- **Specifications and Standards**
- **Training**
- **Tool Development**
- **IT WORKS!**

## **Standing up the Acquisition Reform Office**

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- **ASN(RDA) chartered ARO 13 January 1995**
- **Acquisition Reform executed as a program**
- **Role: Research, develop, test, evaluate and deploy business practices based on best in class from industry and government**
- **Approach:**
  - **Identify practical methods of change--primarily from world-class commercial enterprises**
  - **Apply them to Navy business problems**
  - **Deploy effective methods to achieve rapid, widespread use**

## **Navy Acquisition Reform Senior Oversight Council**

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- **Chaired by ASN(RDA)**
- **Regular attendance by key senior leaders**
- **Weekly forum for dissemination of information, lessons learned, and process review of Acquisition Reform initiatives**
- **Recent agenda items and speakers**
  - **National Performance Review (Mr. Bob Stone)**
  - **Critical Lessons in the Defense Acquisition Culture (Dr. Ron Fox, Harvard)**
  - **Modeling and Simulation in the Comanche Program (COL Richard Langhurst)**

## **Modeling & Simulation Application to Acquisition**

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- **ASN(RDA) established M&S Senior Working Group**
  - Pilot programs being identified
  - Protocols and standards being codified
  - Connectivity through DIS/DSI environment
  - Industry participants
- **ASN/ARPA SBD MOA established**
  - DoN/ARPA Simulation Based Design Transition Task Force established
  - Partners with ARPA in exploiting advanced distribution simulation

## **DoN Acquisition Reform Reducing Cycle Time**

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- **National Performance Review initiative**
- **Cycle Time Task Group designing approaches, determining metrics, and implementing**
- **Five processes with high potential payoffs targeted:**
  - **Pre-Milestone I activities**
  - **Test and Evaluation for Commercial Off-the-Shelf/Non Developmental Items**
  - **Aviation Depot Maintenance Cycle**
  - **Fleet Modernization Program**
  - **Average Customer Wait Time**

## **In-House Cost to implement DoD Requirements and Regulations**

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- **Cooper& Lybrand/TASC December 1994 report assessed industry cost premium to sell to DoN**
- **CNA study assesses in-house costs for management/oversight:**
  - DoN programs** - Looked at ten
  - ACAT levels** - Various
  - Different SYSCOMs and program phases** -
- **Will identify top DoN cost drivers**
- **Will compare with industry costs to manage commercial subcontracts**



## **Cost/Schedule Control Systems Criteria (C/SCSC)**

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- **Coopers & Lybrand/TASC study identified C/SCSC as the third leading regulatory cost driver**
- **Cost associated with cost and schedule reporting and management system review requirement**
- **ASN(RDA) policy memorandum**
  - **Cost and schedule reporting guidelines**
  - **Management system reviews by exception**

## **Specifications & Standards Reform Focus Areas**

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- **Establish Performance-Oriented Solicitation Process**
- **Implement Document Improvement Process**
- **Facilitate Cultural Change**

## **Establish Performance-Oriented Solicitation Process**

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- **Conducting forums for sharing lessons learned on preparing performance-based solicitations**
- **Sampling performance-based Requests for Proposals**
- **Developing data bases**
  - **Waived specifications and standards, including justification for receiving approval**
  - **Lessons learned on reducing the use of specifications and standards in solicitations**

## **Implementing Document Improvement**

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- **Military standards questionnaires completed**
- **Military specifications questionnaires in progress**
- **Priority manufacturing and management standards being reviewed and changed**
- **Acquisition critical documents being identified for priority review/change**

## **DoN Acquisition Reform Facilitating ACTs**

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- **“Acquisition Coordination Team”**
  - New Attack Submarine
  - LPD-17
  - Ship Self Defense System
- **Integrates personnel in requirements generation system; the Planning, Programming and Budgeting System (PPBS); and acquisition management**
- **Team approach**
  - Encourages coordinated team approach
  - Broadens program support
  - Supports orderly progression to milestone decisions
  - Enhances early identification of issues and solutions

## **DoN Acquisition Reform Facilitating Acquisition IPTs**

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***PILOT: New Attach Submarine Command, Combat Control,  
Communications & Intelligence System (C3IS)***

- **Identified Navy & OSD stakeholders (DASN & DUSD level)**
- **Developed charter for Acquisition IPT**
- **Facilitated Navy & OSD approval process**
- **Group resolved issues, approved acquisition strategy & provided concurrence to release draft RFP in two weeks**
- **C3I issues resolved & concurred with by IPT ... successful DAB for MS II followed**

## **DoN Acquisition Reform Reaching the Acquisition Force**

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- **Stage 1 Awareness Training**
  - Over 200 trainers trained
  - “Wave” training completed by July 1995
- **Current course offerings**
  - Performance-Based SOWs
  - Solving the Risk Equation
  - Developing Performance Specifications
  - Fundamentals of Value Engineering
  - Non-Developmental Item Acquisition
  - Specification Users Course
  - Specifications Management

## **Acquisition Reform Center of Excellence**

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- **Management laboratory, testbed and learning center**
- **An integration site where world class tools, techniques, and methods are applied to Navy business processes**

***RAPIDLY CHANGE OUR PROGRAM  
MANAGEMENT CULTURE THROUGH  
HANDS-ON EXPERIENCE***



## **Advanced Amphibious Assault Vehicle An Acquisition Reform Success**

- **Maintainability/Manufacturability - Computer Based Modeling**
- **Partitioning**
- **Open System Architecture**
- **D&V Phase Design-to-Cost**
- **Integrated Product and Process Development (IPPD)**
- **Modeling and Simulation**

***COST REDUCTION INITIATIVES TARGETED AAHV  
PRODUCTION, OPERATING AND SUPPORT COSTS***

## **AN/SQS-53A EC-16**

### **An Acquisition Reform Success**

- Replaces antiquated AN/SQS-53A Sonar subsystems with ruggedized modern commercial electronics

- 28 months from Program Approval to “Weapons-on-Target” at AUTECH

- Received 1995 Vice President Gore’s “Heroes of Reinvention hammer Award”

#### **REDUCES:**

- SQS-53A Life Cycle Cost by \$100M+

- System weight by 25,000 lbs

- PMs requirements by 500 MHrs/Yr (620 to 120)

- Sparing requirements by >80%

- Operational downtime by >75% ( $A_0$  from 0.6 to >0.9)

## Recent Initiatives

- **IPPD/IPTs/ACTs**
  - Policy Statement (30 days)
  - Guidelines
  - Single Process Factory
  - NPDM Working Group
- **ACAT II-IV Documentation**
  - Statutory and Mandatory
  - Non Statutory but Required
  - Optional
- **Independent Cost Estimation**
- **Metrics Development**
- **RFP Benchmarking**